

## **Cabinet – 23 January 2013**

### **Local Healthwatch**

**Portfolio:** Councillor Z Ali – Communities and Partnerships

**Related Portfolio:** Councillor McCracken - Social Care and Health

**Service:** Neighbourhood Services

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

- 1.1 Under the provisions of the Health and Social Care Act 2012 ('the Act'), there is a statutory duty on Walsall Council to commission a Local Healthwatch service by 1 April 2013.
- 1.2 Cabinet gave approval in April 2012 for a procurement process to select a provider for this service, to be known as 'Healthwatch Walsall'.
- 1.3 Cabinet is asked to approve a contract with the selected bidder.

#### **2. Recommendation**

- 2.1 That Cabinet approve the contract with the selected bidder, a consortium made up of MyNHS Walsall, Walsall LINK, Age UK Walsall, Walsall Housing Group and Walsall CAB.

#### **3. Report detail**

- 3.1 Walsall Council is required to commission a Local Healthwatch service by 1 April 2013. The Local Healthwatch organisation is intended to be the new consumer champion for health and social care. It will replace the current Local Involvement Network ('LINK') arrangements and have many of the same functions, including involving and engaging service users and exercising 'enter and view' powers (being a legal power to enter service premises and view what is happening there). Local Healthwatch will also take on additional responsibilities, including the 'signposting' elements of the Patient Advice and Liaison Service, reporting local experiences to Healthwatch England (who will provide national leadership and support), and be represented on the local Health and Wellbeing Board

(which will be a forum where key leaders from the health and care system will work together to improve the health and wellbeing of their local population and reduce health inequalities).

- 3.2 Walsall Council has undertaken a procurement exercise for Local Healthwatch. Because the value and nature of the planned contract is above the threshold for EU procurement, the EU part B procedure has been followed.

The key dates in the process are:

|          | <b>Stage</b>                                  | <b>Date</b>      |
|----------|---|------------------|
| <b>1</b> | Publication of EU Contract Notice             | 1 November 2012  |
| <b>2</b> | Tender close                                  | 12 December 2012 |
| <b>3</b> | Evaluation complete                           | 7 January 2013   |
| <b>4</b> | Moderation of evaluation                      | 9 January 2013   |
| <b>5</b> | Cabinet approval                              | 23 January 2013  |
| <b>6</b> | Notification of award after 10 day standstill | 4 February 2013  |
| <b>7</b> | Contract commencement                         | 1 April 2013     |

- 3.3 The tender included a range of questions which sought to test bidders' understanding of the work of local Healthwatch and the procedures that they would put in place. The overall evaluation criteria were set as:-

|                                     |     |
|-------------------------------------|-----|
| Response to technical questionnaire | 80% |
| Cost and financial management       | 20% |

A detailed technical and financial evaluation has been carried out. Two bids were received, and were evaluated by four senior officers and a separate moderation process, against scoring criteria set out in the tender specification. A consortium bid from MyNHS Walsall, Walsall LINK, Age UK Walsall, Walsall Housing Group and Walsall CAB received the highest score in the evaluation and is the selected bidder for the establishment of Healthwatch Walsall.

- 3.4 The Act requires each Local Healthwatch to be a body corporate carrying out statutory functions and to be a social enterprise. Department of Health guidance to date suggests that the 'social enterprise' definition will include a requirement for the new body to act for 'community benefit' and re-invest at least 50% of any operating surpluses.

#### **4. Council priorities**

4.1 The Local Healthwatch service aligns with the Council's priorities for *Communities and Neighbourhoods*, and for *Health and Wellbeing*. In particular, they relate to:

- Residents being happy with local services
- Residents feeling that they can influence decisions locally

4.2 Commissioning a local Healthwatch service will assist in achieving a number of the key objectives of the Marmot Review, as follows:

- Ensure a healthy standard of living for all
- Create and develop healthy and sustainable communities
- Strengthen the role and impact of ill-health prevention

4.3 This report is also relevant to the Social Care and Health Portfolio

#### **5. Risk management**

5.1 The Act places new responsibilities on local authorities. If the funding allocated to meet these responsibilities is not adequate, there is an ongoing risk to the finances of Walsall Council. Paragraph 6 of this report details this issue.

5.2 The secondary legislation (Regulations) have not yet been published. These may have implications for contract management of Local Healthwatch. Paragraph 7 of this report details this issue.

#### **6. Financial implications**

6.1 Agenda item 4(c) of the Special Cabinet 12 October 2011 set out Walsall Council's preferred option for the *Distribution of Additional Funding for Local Healthwatch, NHS Complaints Advocacy and PCT Deprivation of Liberty Safeguards*. Since that report, there have been three differing 'indicative allocation' reports for Local Healthwatch published by the Department of Health.

6.2 It is still not possible to calculate the full extent of any financial implications; funding allocations are subject to the Autumn Statement, and final allocations are not yet confirmed. However, the most recent indicative allocation for Local Healthwatch in Walsall (October 2012) is for c£250,000 in 2013/14 and a similar amount in 2014/15. The allocation for Local Healthwatch is made up from an existing LINK budget plus additional monies to take account of additional responsibilities, including 'signposting' activities currently undertaken by Patient Advice and Liaison Services ('PALS').

6.3 LINKs funding will be carried forward as the baseline for Local Healthwatch funding. Since 2011/12, the Department for Communities and Local Government ('DCLG') formula grant has included £27 million of funding for LINKs. From next year, the Business Rates Retention Scheme ('BRRS') will be a significant source

of funding (as well as RSG) for local government. The Local Healthwatch funding is not expected to be ring-fenced.

- 6.4 The bid has a funding requirement of £224,468 in 2013/14. This is within the expected allocation.

## **7. Legal implications**

- 7.1 Commissioning Local Healthwatch is a statutory duty. Legal Services will continue to work closely with officers to ensure that all necessary legal processes will be in place to minimise the risk to the Council, whilst ensuring that the processes are not onerous.
- 7.2 The governance arrangements for Local Healthwatch have not yet been clarified by the Act and the expected Regulations. Although the Act requires Local Healthwatch to be a body corporate carrying out statutory functions and to be a social enterprise, Regulations to the Act further defining the meaning of these terms have not yet been published.
- 7.3 Walsall Council is required to commission an independent Local Healthwatch but also ensure that the organisation operates effectively and provides value for money. This is a complex relationship and may require further local legal advice in implementing the contract, particularly in the light of Regulations yet to be published.

## **8. Property implications**

There are no direct implications.

## **9. Staffing implications**

The temporary Healthwatch co-ordination post expires in March 2013. Arrangements will be made to provide adequate cover for managing the Council's contract with Local Healthwatch from 1 April 2013 onwards.

## **10. Equality implications**

- 10.1 The Department of Health undertook an Equality Analysis of Local Healthwatch in 2011.
- 10.2 Walsall Council has undertaken an Equality Impact Assessment on the implementation of local Healthwatch.
- 10.3 The Act requires Local Healthwatch organisations to be subject to the public sector duties under the Equality Act 2010. The purpose of Local Healthwatch is to ensure all parts of the community have the opportunity to influence the shaping and scrutiny of health and social care services.

## 11. Consultation

Walsall Council undertook a lengthy local consultation on options for Local Healthwatch amenable to local influence. The results of the consultation, based on 1,226 responses, formed part of the specification for the new organisation.

### Background papers

1. Cabinet report 4 April 2012 *Healthwatch* (in private session).
2. Special Cabinet report 12<sup>th</sup> October 2011 *Department of Health Consultation - Allocation Options for Distribution of Additional Funding for Local HealthWatch, NHS Complaints Advocacy and PCT Deprivation of Liberty Safeguards*.
3. Department of Health *Equality Analysis Local Healthwatch* 2011.
4. Department of Health *Local Healthwatch Funding update* October 2012.

### Author

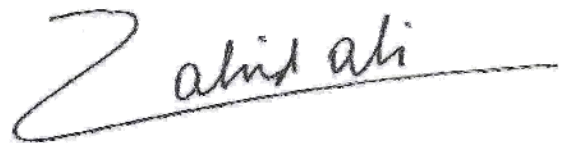
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14 January 2013

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14 January 2013